

Message Text

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61

ACTION EUR-12

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E.O. 11652 N/A

TAGS: PINT, DA

SUBJECT: GENERAL ELECTION- NO 4. THE OPPOSITION

PARTIES(GLISTRUP'S PROGRESS PARTY)

SUMMARY: BY DECLARING THE FORTHCOMING ELECTION A REFERENDUM

ON HIS MINORITY GOVERNMENT'S ECONOMIC "CRISIS PLAN",

PRIMIN PAUL HARTLING HAS THROWN DOWN THE GAUNTLET

TO THE TWO MAJOR OPPOSITION PARTIES, THE SOCIAL DEMOCRATS

THE MOGENS GLISTRUP'S PROGRESS PARTY. THE LATTER ESSENTIALLY

A POPULIST ANTI-TAX MOVEMENT, IS BEGINNING TO SHOW SIGNS

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OF DISINTEGRATION. END SUMMARY

1. THE PROGRESS PARTY'S GENESIS IN THE DEC 4, 1973 ELECTION REPRESENTED A GENERAL EXPRESSION OF PROTEST AGAINST DANISH INCOME TAXES, THE HIGHEST IN EUROPE AT THAT TIME. IN THE INTERVENING YEAR HOWEVER HARTLINGS LIBERAL GOVERNMENT HAS SUCCEEDED IN REDUCING INCOME TAXES SUBSTANTIALLY (BY SEVEN BILLION KRONER-OR 1.2 BILLIN DOLLARS) THIS REDUCTION EFFECTIVE JAN 1,1975 HAS TAKEN THE STEAM OUT F THE SPECIFIC COMPLAINT ON WHICH THE PROGRESS PARTY WAS FORMED. MORE IMPORTANTLY ON TRANSPORMATION OF THE ECONOMIC SITUATION FROM AN EXPANDING FULL-EMPLOYMENT PERIOD TO ONE OF ECONOMIC CONTRACTION AND HIGH UNEMPLOYMENT HAS UNDERMINED THE PROGRESS PARTY'S CIRTICISM OF THE DANISH SOCIAL WELFARE SYSTEM. THE PARTY'S RESPONSE TO THE UNEMPLOYMENT PROBLEM HAS BEEN AN UNCONVINCING PROPOSAL TO SUBSIDIZE EACH FIRM WHICH EMPLOYS A NEW WORKER WITH A FLAT 600 KRONER.

2. MOREOVER THE PARTY IS CLEARLY FEELING THE EFFECTS IF TGE TAX EVASION CASE AGAINST IT WEADER MOGENS GLISTRUP. THE SUPREME COURT RECENTLY RULED THAT THE TAX CASE AGAINST GLISTRUP WAS NOT A "POLITICAL" ONE CONTRADICTING THE PARTY'S PRINCIPAL LINE OF DEFENSE. ALTHOUGH THE CASE AGAINST GLISTRUP HIMSELF IS APT TO CONTINUE FOR SEVERAL YEARS, SUBSIDIARY CASES AGAINST HIS CLIENTS HAVE BEEN CONCLUDED IN THE PAST TWO WEEKS.IN AN IMPORTANT DECISION DEC 17, THE DISTRICT COURT RULED THAT AT LEAST SOME OF GLISTRUP'S LOANS WERE IN FACT FICTITIOUS MANIPULATIONS OF BOOKEEPING ACCOUNTS RATHER THAN LEGALLY BINDING TRANSFERS OF FUNDS. SIMILARY THE INTERAL REVENUE ADMINISTRATION HAS RULED THAT GLISTRUP'S TAX BRACKET IN THE FUTURE WILL BE 70 PERCENT RATHER THAN ZERO AS HE HAS CLAIMED IN PREVIOUS YEARS. THESE INDICATIONS OF POSSIBLE CRIMINALITY HAVE NOT YET INFLUENCED THE PARTY'S POPULAR SUPPORT AS REGISTERED BY THE POLLS, BUT THERE IS A STRONG POSSIBILITY THAT BEFORE JANUARY 9 THEY COULD CONTRIBUTE TO A RAPID DISINTEGRATION IN THAT SUPPORT.

3. THE FUNDAMENTAL WEAKNESS OF THE PROGRESS PARTY IS LIMITED OFFICIAL USE

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ITS ABSOLUTE DEPENDENCE UPON THE PERSON OF MOGENS GLISTRUP. ALTHOUGH ITS 26 MPS MAKE UP THE SECOND LARGEST BLOC IN PARLIAMENT NONE OF THESE HAVE DEVELOPED INTO AN ACCEPTABLE LIEUTENANT, LET ALONE A POSSIBLE ALTERNATIVE PARTY LEADER. PALLE TILLISCH, THE CHAIRMAN OF THE PARLIAMENTARY GROUP RESIGNED LAST WEEK, SUPPOSEDLY FOR PERSONAL REASONS. THERE IS INCREASING EVIDENCE THAT THE PARTY'S DISTRICT ORGANIZATIONS ARE REBELLING AGAINST

ATTEMPTS BY PARTY HEADQUARTERS TO DICTATE WHO SHOULD BE
CANDIDATES IN THE COMING ELECTION.

COMMENT: THE PROGRESS PARTY'S SHARE OF THE
VOTE WILL BE A HIGHLY UNPREDICTABLE VARIABLE. IT IS
CLEAR HOWEVER THAT THE OLD "ELAN" FROM LAST DECEMBER
HAS DISAPPEARED. IT IS LIKELY THAT HARTLING'S LIBERAL
PARTY WILL ATTRACT MANY OF THOSE WHO DECIDE TO
DESERT THEIR TARNISHED LEADER.
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